



Indiana Department of Revenue

Indiana Governmental Units and Agencies Report of Construction and Other Service Contracts

Form GC-22(h)

Revised 9/99

State Form 49101

Period covered in this report

from _____ to _____

Attach additional sheets if necessary.

Name of Agency		This report must be filed within 30 days of executing a construction contract.
Street Address	County	
City or Town, State and Zip Code	Telephone No.	Agency Federal I.D.#

1	Federal Identification Number or Social Security Number	2	Name and Address of Contractor, known Subcontractors Designers, Engineers, etc.	3	Description of Project	4	Date of Contract	5	Amount of Contract (in dollars) without Deductions	6	Amount of Gross Income Tax Withheld on Nonresident Contractors	7	Date of Gross Income Tax Remittance

Mail to:
INDIANA DEPARTMENT OF REVENUE
COMPLIANCE DIVISION
P.O. BOX 935
INDIANAPOLIS, INDIANA 46206-0935

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Signature of Officer(s)

Title

Date

Instructions for Completing Form GC-22(h) and Withholding Requirements on Nonresident Contractors

WHO MUST FILE

A report is to be made to the Indiana Department of Revenue on Form GC-22(h) whenever an Indiana governmental unit enters into a service contract. This report is to be made by the Indiana governmental unit which enters into a contract for construction of a building or other improvements within the state, including all service contracts, to be paid by the governmental entity.

An “Indiana governmental unit” would include:

The officers and employees of the State of Indiana, each agency thereof, and every municipal corporation and political subdivision of the state, including but not limited to, every county, township, city, town, school (which includes city schools, township schools, town schools, metropolitan school districts, community school corporations, schoolhouse building corporations, and schoolhouse holding corporations), library district, sanitary district, and every other taxing district having control to execute the contract or the payment of funds.

The requirement for this report to be made is under I.C. 6-2.1-5-11, a section of the Gross Income Tax Act. The report is to be made on such governmental contracts (other than sales contracts), regardless of whether or not the contractor is an Indiana resident.

The following are examples of activities of contractors to be reported:

1. Construction contracts of all kinds, including prime contracts and subcontracts;
2. The performance of or participation in athletic events and exhibitions, including auto racing;
3. Entertainment contracts, including single entertainment events, as well as contracts extending over time;
4. Contracts for the furnishing and installation of tangible personal property;
5. Contracts for leasing tangible personal property; and
6. Contracts for architectural, engineering, designing, or any other services performed in this state.

The filing of Form GC-22(h) will not relieve the disbursing officers from any responsibility or liability as a withholding agent. Nonresident corporate contractors performing any of these activities in Indiana are subject to gross income tax withholding.

Sales contracts do not need to be reported on Form GC-22(h). Sales contracts are for supplying tangible personal property where no service of any kind is provided. Examples of sales contracts would include; contracts for the purchase of office supplies (pens, paper, etc.), machines (where no installment service fee is charged), and other tangible personal property where no service is provided in conjunction with the sales contract.

WITHHOLDING REQUIREMENTS FOR NONRESIDENT CONTRACTORS

Under I.C. 6-2.1-6-1, gross income tax is required to be withheld on payments made to nonresident corporate contractors for the performance of contracts, with the exception of sales contracts in Indiana. The tax must be withheld at the high rate of 1.2% from the gross amount paid in excess of \$1,000 to a nonresident contractor during a calendar year. Quarterly gross income tax is payable to the Department on Form WH-1, Indiana Withholding Tax Voucher.

For the purpose of this withholding requirement, a nonresident contractor does not include a corporation registered with the Indiana Secretary of State as qualified to do business in Indiana. To determine if a corporate contractor is qualified to do business in Indiana, contact: Indiana Secretary of State, Corporation Division, 302 W. Washington, Room E-018, Indianapolis, Indiana, 46204, or call (317) 232-6576.

In addition, the gross income tax withholding does not apply to corporations electing to be treated as S Corporations or to Indiana Special Corporations. If the nonresident contractor is not a corporation and/or is not subject to the gross income tax, a signed affidavit stipulating these facts should be secured from the contractor to preclude this withholding tax requirement.

WHEN TO FILE

The report on Form GC-22(h) should be made within thirty (30) days of the contract date, with updates made on an additional Form GC-22(h) if the contract runs in excess of the dollar amount previously reported.

COMPLETING THE REPORT

COLUMN ONE - Federal Identification Number: Enter the Federal Identification Number of the contractor(s). If the contract (or subcontract) is being performed by an individual, enter the social security number. If the contractor is a sole proprietor, enter that social security number, even though the employer’s federal identification number may be present.

COLUMN TWO - Name and Address: Enter the principal name and address of the person or organization.

COLUMN THREE - Description of Project: Give a brief description of service performed under terms of contract.

COLUMN FOUR - Date of Contract: Enter the date of execution of the contract. If subsequent contracts are made with the same firm, separate reports should be made at those times.

COLUMN FIVE - Amount of contract: Enter the gross amount paid (or to be paid) to any contractor. No deductions may be taken for such things as labor costs, materials, or amounts paid to subcontractors.

Example: A prime contractor is awarded a \$1,000,000 contract to do repairs on a school building. The prime contractor subcontracts much of the work to various firms. The amount of subcontracts total \$750,000. The school reports \$1,000,000 in Column 5 for the prime contractor. The prime contractor also prepares a Form GC-22(h) for reporting the various subcontractors, which totals \$750,000 in column 5. The prime contractor submits the prepared Form GC-22(h) to the school authorities, who then submits it to the Department.

COLUMN SIX - Gross Income Tax Withheld: Enter gross income tax withheld, or to be withheld, from contracts reported in Column 5. The amount of gross income and tax withheld from contract receipts is also reported by the withholding agent on Form WH-18, Indiana Miscellaneous Withholding Tax Statement for Non-residents. Copy A of the form is to be submitted with the Withholding Agent’s Annual Reconciliation, Form WH-3, by the last day of February following the close of the tax year. The entity from which this withholding is made claims credit for the tax withheld when filing its annual Indiana income tax return.

COLUMN SEVEN - Date of gross income tax remittance: Enter the date gross income taxes were remitted, or will be remitted, to the Indiana Department of Revenue.

SUBMITTING THE REPORT

Complete the name and address information, as well as the dates which are covered in this report. Also complete the signature and title information of the officer filing the report. Attach as many Forms GC-22(h) as necessary to make the report. Enter the total number of pages filed in the bottom right corner. Mail the completed report within thirty (30) days of the earliest contract date to:

Indiana Department of Revenue
Compliance Division
P.O. Box 935
Indianapolis, Indiana 46206-0935.

If you have any questions concerning this report, contact the Corporate Income Tax Section at (317) 615-2660.